

New Ideas About Society and Economics

I. Laissez-faire economics

A. Adam Smith and free enterprise

1. Free market would produce more goods at lower prices.
2. Capitalists would reinvest in growing economy.

II. Malthus on population

A. Malthus holds bleak view.

1. Population will outpace food supply.
2. Only checks on population growth are war, disease, and famine.
3. Families should have fewer children to preserve the food supply.

B. Ricardo shares view.

1. Wage increases are futile for working poor.
2. Opposed government help for the poor

III. Utilitarians for limited government

A. Goal of society should be “the greatest happiness for the greatest number.”

1. Laws or actions should be judged by their “utility.”
2. Individual freedom guarantees happiness.

IV. Socialist thought emerges

A. Focus should be on the good of society in general, not on individual rights.

1. Belief that socialism would end poverty and injustices of industrial capitalism
2. People as a whole, not private individuals, should own and operate the means of production.

B. Socialists establish utopian communities.

1. Hoped that equality among people would end conflict
2. Utopian industrialist Robert Owen sets up a model community in Scotland.

New Ideas About Society and Economics (cont.)

V. Karl Marx calls for worker control.

- A. New theory of “scientific socialism” is based on scientific study of history.
 - 1. Inevitable struggle between social classes will lead to a classless society.
 - 2. A classless society would end struggles for wealth and power.

VI. Marxism in the future

- A. Marxism briefly flourishes.
 - 1. In 1860, German socialists adapt Marx’s beliefs to form social democracy.
 - 2. Marxism leads to Russian Revolution in 1917.
 - 3. Independence leaders elsewhere turn to Marxism.
- B. Marxism loses appeal.
 - 1. Failures in Marxist governments illustrate its flaws.
 - 2. Nationalism wins out over working-class loyalty.